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14 **UNITED STATES DISTRICT COURT**
FOR THE NORTHERN DISTRICT OF CALIFORNIA

15 IN RE HIGH-TECH EMPLOYEE
16 ANTITRUST LITIGATION

17 THIS DOCUMENT RELATES TO:
18 ALL ACTIONS

Case No.: C 11-CV-2509-LHK

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20 **DECLARATION OF JAMES M.**
KENNEDY PURSUANT TO CIVIL
LOCAL RULE 79-5(d)
SUBMITTED IN SUPPORT OF
PLAINTIFFS' ADMINISTRATIVE
MOTION FOR SEALING ORDER

21 Date: January 17, 2013
22 Time: 1:30 p.m.
Courtroom: 8, 4th Floor
Judge: Honorable Lucy H. Koh

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29 DECLARATION OF JAMES M. KENNEDY PURSUANT TO
30 CIVIL LOCAL RULE 79-5(d) SUBMITTED IN SUPPORT OF
31 PLAINTIFFS' ADMINISTRATIVE MOTION FOR SEALING
32 ORDER

Case No.: C 11-CV-2509-LHK

DECLARATION OF JAMES M. KENNEDY

I, James M. Kennedy, declare as follows:

1. I am the Senior Vice President, Business Strategy and Chief Legal Counsel for Pixar, and I am an attorney licensed to practice law in the State of California. The matters set forth herein are true and correct of my own personal knowledge and information provided to me. If called as a witness, I could and would testify competently thereto.

2. I submit this declaration pursuant to Civil Local Rule 79-5(d) and this Court's Standing Order in support of Plaintiffs' Administrative Motion to File Under Seal (Dkt. No. 186). Pixar requests that certain materials designated as confidential by Pixar and lodged under seal by Plaintiffs on October 1, 2012 be sealed pursuant to Civil Local Rule 79-5(d). In particular, Pixar requests that the Court maintain under seal portions of Plaintiffs' Memorandum in Support of the Motion for Class Certification (Dkt. No. 187) ("Motion for Class Certification"), portions of the Expert Report of Edward E. Leamer, Ph.D. (Dkt. No. 190) ("Leamer Report"), and certain exhibits and portions of exhibits to the Declaration of Anne B. Shaver in Support of Plaintiffs' Notice of Motion and Motion for Class Certification, and Memorandum of Law in Support (Dkt. No. 188) ("Shaver Declaration").

3. Plaintiffs' Motion for Class Certification and the Learner Report quote from and attach as exhibits confidential materials and testimony that Pixar has designated CONFIDENTIAL and CONFIDENTIAL - ATTORNEYS' EYES ONLY under the terms of the Stipulated Protective Order (as modified by the Court) filed in this case (Dkt. No. 107) ("Protective Order").

4. Plaintiffs filed a public version of Plaintiffs' Motion for Class Certification on October 1, 2012. (Dkt. Nos. 187-190.) In the public version, Plaintiffs redacted those portions of Plaintiffs' Motion for Class Certification that refer to the contents of Pixar's confidential documents and testimony.

5. I have reviewed Plaintiffs' Motion for Class Certification and Defendants' Joint Response to Plaintiffs' Administrative Motion. Good cause exists to file under seal the

1 following Exhibits and references in Plaintiffs' Motion for Class Certification, which contain
 2 competitively sensitive and proprietary information about Pixar's business strategy,
 3 compensation and benefits practices, Pixar's competitive recruiting strategies and policies, and
 4 personal identifying and financial information about individuals who are not parties to this
 5 action. Pixar's proposed redactions to these documents have been lodged with the Court.

6 (a) Exhibit 61 to the Shaver Declaration (Dkt. No. 188) and specific
 7 quotations thereof at pages 2, 3, 8, 18, and 24 of Plaintiffs' Motion for Class Certification (Dkt.
 8 No. 187). This Exhibit and the references thereto contain confidential and competitively
 9 sensitive information regarding business strategy and internal compensation and recruiting
 10 practices of The Walt Disney Company ["TWDC"], Pixar, and ImageMovers Digital. TWDC is
 11 the parent of Pixar and was the co-founder, with Robert Zemeckis, of ImageMovers Digital.
 12 There is good cause to seal information contained in this Exhibit because it reveals sensitive
 13 information regarding business strategy of TWDC and its subsidiaries. Disclosure would reveal
 14 confidential intra-company communications regarding internal recruiting and staffing policies.
 15 Pixar and its affiliates would therefore be prejudiced if the information contained in the Exhibit
 16 and the redacted portions of Plaintiffs' Motion for Class Certification quoting therefrom were
 17 made available to the general public.

18 (b) Redacted portions of Exhibits 62, 63, 67, and 68 to the Shaver
 19 Declaration (Dkt. No. 188). The portions of these Exhibits to be redacted contain confidential
 20 and proprietary information, including discussions of Pixar's internal staffing policies and
 21 decisions, internal personnel issues unrelated to the recruiting policies at issue in this case, and
 22 personal identifying information about individuals who applied to Pixar and other individuals
 23 who are not parties to this action. Disclosure of the confidential personal identifying
 24 information about non-party individuals would cause harm to those individuals. Disclosure of
 25 confidential and proprietary discussions of internal Pixar policies would cause competitive harm
 26 to Pixar by giving its competitors insights into its recruiting and staffing strategies and depriving
 27 Pixar of the benefit of its investments in developing those strategies. Pixar would therefore be
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prejudiced if the information contained in the portions of these Exhibits to be redacted were made available to the general public.

(c) Exhibit 70 to the Shaver Declaration (Dkt. No. 188) and specific quotations thereof at page 13. There is good cause to seal this Exhibit because it contains confidential and competitively sensitive information regarding Pixar's practices and strategy with respect to compensation, benefits, and its long-term incentive program. Pixar considers this information to be, and treats it as, confidential, proprietary, and competitively sensitive. Pixar would be prejudiced if the information contained in the Exhibit were made available to the general public.

6. Further, I have reviewed the Leamer Report and Defendants' Joint Response to Plaintiffs' Administrative Motion and good cause exists to file under seal the following Exhibits and references thereto in Plaintiffs' Motion for Class Certification:

(a) Portions of Paragraphs 84 and 108, and Footnotes 43, 114, and 136 of the Leamer Report (Dkt. No. 190). These portions of the Leamer Report refer to and quote from the same document as discussed in Section 5(a) of this Declaration, and good cause exists to seal these portions of the report for the reasons described above.

(b) With respect to information regarding Pixar, good cause exists to seal Figures 3, 4, 10-14, 20, 22-24 and the information and conclusions derived therefrom in Paragraphs 91, 98, 126, 129, 131, 141, and 142 of the Leamer Report (Dkt. No. 190). The Figures reflect highly confidential and competitively sensitive data regarding Pixar's compensation practices, including compensation structure, equity payments, and other propriety matters related to employee compensation. Disclosure would create a substantial risk of serious competitive harm to Pixar because its competitors would gain insight into Pixar's competitive and proprietary compensation strategies. Pixar would be deprived of its investments in developing these strategies and would be placed at a significant disadvantage with respect to recruiting, hiring, and compensating its employees. Pixar would therefore be prejudiced if the information were made available to the general public.

1 (c) Paragraphs 64(b)-(c), 91, 92, 98, 121, 122(a), 124, 126, 128, 129, 139-
2 141 and Footnotes 110, 159, and 164. Good cause exists to seal these portions of the Leamer
3 Report (Dkt. No. 190) because they refer to and discuss confidential and competitively sensitive
4 information regarding Pixar's compensation practices, including: confidential information
5 regarding Pixar's compensation strategy, confidential information regarding changes to
6 compensation and compensation structure; confidential information regarding equity grants and
7 other incentive-based compensation; confidential internal evaluations of Pixar's compensation
8 policies; and information derived from highly confidential compensation data produced to
9 Plaintiffs. This data is extremely sensitive, and disclosure would create a substantial risk of
10 serious competitive harm to Pixar by giving its competitors detailed information about its
11 proprietary compensation strategies and policies. Pixar would therefore be prejudiced if the
12 information were made available to the general public.

13 7. I declare under penalty of perjury under the laws of the State of California and
14 the United States that the foregoing is true and correct.

16 Executed on October 9, 2012, in Emeryville, California.

James M. Kerse Jr.

James M. Kennedy